

COMMISSION DIRECTIVE

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u>June 27, 2007</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>2007-1-E</u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>		

SUBJECT:

DOCKET NO. 2007-1-E – Carolina Power and Light Company d/b/a Progress Energy Carolinas, Incorporated – Annual Review of Base Rates for Fuel Costs - Hearing Held: June 13, 2007 – This Matter is Ready for Final Disposition.

COMMISSION ACTION:

Move that the Commission do the following with respect to the Annual Review of Base Rates for Fuel Costs for Progress Energy Carolinas, Inc. (PEC):

1. Find that the fuel purchasing practices, plant operations, and fuel inventory management of PEC are prudent;
2. Accept and approve the Settlement Agreement as reasonable and in the public interest;
3. Order PEC to set its fuel component at 2.651 cents per kWh effective for bills rendered on or after the first billing cycle in July 2007 through the last billing cycle of June 2008;
4. Order PEC to set the following "variable environmental cost" factors effective for bills rendered on or after the first billing cycle of July 2007 through the last billing cycle of June 2008:
 - a. 0.031 cents per kWh for residential customers
 - b. 0.030 cents per kWh for non-demand general service customers
 - c. 8.0 cents per kW for demand general service customers
5. Order the parties to abide by all terms and conditions of this Settlement Agreement and the settlement agreements in Docket Nos. 2005-1-E and 2006-1-E;
6. Order PEC to inform the Parties and PEC customers on a quarterly basis as to the expected fuel factor to be set at the next annual proceeding;
7. Order PEC to file an original and ten (10) copies of the Retail Adjustment for Fuel Cost Tariff within ten (10) days of receipt of an Order from this Commission.

PRESIDING	<u>Hamilton</u>				Session:	Regular
	MOTION	YES	NO	OTHER	Time of Session	<u>2:30 p.m.</u>
CLYBURN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		APPROVED	_____
FLEMING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Voting	APPROVED STC 30 DAYS	_____
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACCEPTED FOR FILING	_____
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		DENIED	_____
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		AMENDED	_____
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		TRANSFERRED	_____
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		SUSPENDED	_____
					CANCELED	_____
					SET FOR HEARING	_____
					ADVISED	_____
					CARRIED OVER	_____
					RECORDED BY	<u>JBS</u>

Commissioner Fleming was on Family Sick Leave the day of the hearing